

# Board of Liquor License Commissioners

## MISSION STATEMENT

The mission of the Board of Liquor License Commissioners (BLC) is to ensure the lawful sale and use of alcoholic beverages and tobacco products within Montgomery County and to enforce the laws and regulations relating to alcohol and tobacco sales and alcohol licensing.

## BUDGET OVERVIEW

The total recommended FY05 Operating Budget for the Office of the Board of Liquor License Commissioners is \$978,700, an increase of \$86,140 or 9.7 percent from the FY04 Approved Budget of \$892,560. Personnel Costs comprise 86.2 percent of the budget for nine full-time positions and five part-time positions for 12.5 workyears. Operating Expenses account for the remaining 13.8 percent of the FY05 budget.

Not included in the above recommendation is a total of \$63,330 and 1.0 workyear that is charged to Health and Human Services, Grant Fund. The funding and workyears for this item are included in the receiving department's budget.

## PROGRAM CONTACTS

Contact Dennis Theoharis of the Office of the Board of Liquor License Commissioners at 240.777.1989 or Philip A. Weeda of the Office of Management and Budget at 240.777.2780 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Alcoholic Beverage Enforcement

The Alcoholic Beverage Enforcement program includes inspections and/or surveillance investigations of licensed facilities to ensure compliance with all applicable laws, rules, and regulations. These operations involve licensees and their employees, as well as residents and visitors to Montgomery County. Inspectors cite violators of alcoholic beverage laws and testify before the Board at "show cause" hearings. This program also provides hotel/motel surveillance to discourage room service and off-premises delivery to minors.

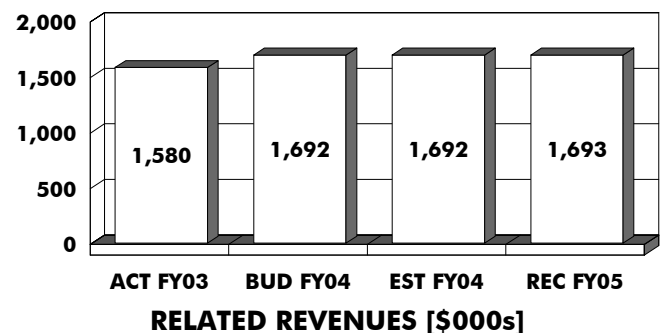
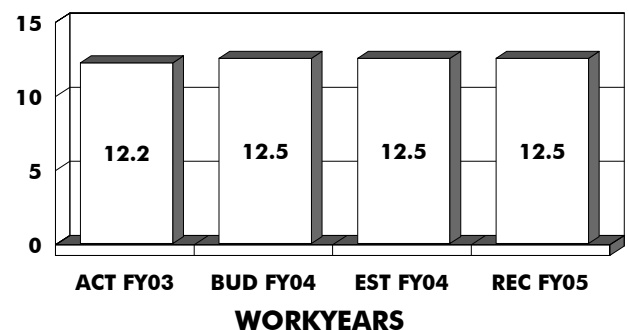
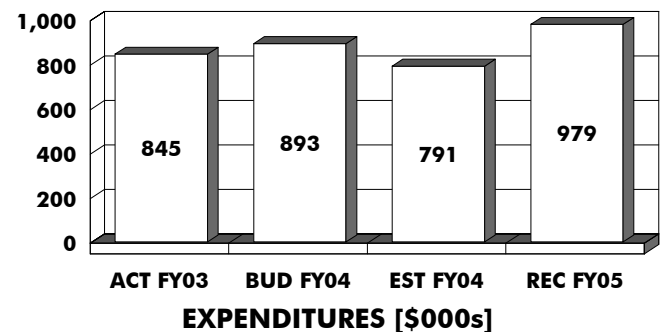
### FY05 Recommended Changes

	Expenditures	WYs
<b>FY04 Approved</b>	<b>362,640</b>	<b>6.5</b>
Increase Cost: Hotel/Motel keg registration surveillance	1,500	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	25,060	0.0
<b>FY05 CE Recommended</b>	<b>389,200</b>	<b>6.5</b>

## Program Summary

	Expenditures	WYs
Alcoholic Beverage Enforcement	389,200	6.5
Alcoholic Beverage Facility Licensing	279,950	2.5
Alcoholic Beverage Licensee Training	0	0.0
Tobacco Enforcement	119,470	2.5
Administration	190,080	1.0
<b>Totals</b>	<b>978,700</b>	<b>12.5</b>

## Trends



## Alcoholic Beverage Facility Licensing

This program includes the issuance of alcoholic beverage licenses upon evidence that the license applications are in compliance with applicable standards. BLC conducts licensing and/or enforcement hearings prior to the issuance, fining, suspension, or revocation of an alcoholic beverage license. Administrative staff of the BLC support this function.

### FY05 Recommended Changes

	Expenditures	WYs
<b>FY04 Approved</b>	<b>256,100</b>	<b>2.5</b>
Increase Cost: Telephone service	3,820	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	20,030	0.0
<b>FY05 CE Recommended</b>	<b>279,950</b>	<b>2.5</b>

## Alcoholic Beverage Licensee Training

This program provides for alcohol awareness training courses to licensed facilities. State law requires that at least one licensee or employee at each licensed facility successfully complete alcohol awareness training and be on the licensed premises whenever alcoholic beverages are sold or served.

### FY05 Recommended Changes

	Expenditures	WYs
<b>FY04 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>0</b>	<b>0.0</b>

## Tobacco Enforcement

The Tobacco Enforcement Program includes surveillance investigations of Maryland State retail cigarette licensed facilities located in Montgomery County to ensure compliance with Montgomery County's Distribution of Tobacco Products to Minors and Tobacco Products Placement laws. Board inspectors issue civil citations to retail cigarette license holders and their clerks for tobacco distribution and display violations. Board inspectors must also appear and testify in District Court regarding the tobacco civil citations issued.

### FY05 Recommended Changes

	Expenditures	WYs
<b>FY04 Approved</b>	<b>113,440</b>	<b>2.5</b>
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	6,030	0.0
<b>FY05 CE Recommended</b>	<b>119,470</b>	<b>2.5</b>

## Administration

This program provides administrative services support to the Board, BLC staff, licensees, and members of the general public regarding policy and procedural matters. The program also provides funding for: (1) the Board's Executive Director to attend the annual National Liquor Law Enforcement Association (NLLEA) Training Seminar and the annual National Alcohol Beverage Control Association (NABCA)

Conference, and (2) a Board inspector to attend the annual National Liquor Law Enforcement Association Training Academy.

### FY05 Recommended Changes

	Expenditures	WYs
<b>FY04 Approved</b>	<b>160,380</b>	<b>1.0</b>
Increase Cost: Software-TRACE maintenance agreement	15,200	0.0
Increase Cost: Blackberry service	540	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	13,960	0.0
<b>FY05 CE Recommended</b>	<b>190,080</b>	<b>1.0</b>

## BUDGET SUMMARY

	Actual FY03	Budget FY04	Estimated FY04	Recommended FY05	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	579,653	601,430	515,480	642,900	6.9%
Employee Benefits	156,269	179,040	144,570	200,550	12.0%
<b>County General Fund Personnel Costs</b>	<b>735,922</b>	<b>780,470</b>	<b>660,050</b>	<b>843,450</b>	<b>8.1%</b>
Operating Expenses	109,100	112,090	130,530	135,250	20.7%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>845,022</b>	<b>892,560</b>	<b>790,580</b>	<b>978,700</b>	<b>9.7%</b>
<b>PERSONNEL</b>					
Full-Time	8	9	9	9	—
Part-Time	5	5	5	5	—
Workyears	12.2	12.5	12.5	12.5	—
<b>REVENUES</b>					
Liquor Licenses	1,144,111	1,300,000	1,300,000	1,300,000	—
Liquor License Application Fees	123,045	132,000	132,000	132,000	—
Liquor Enforcement Fines	247,382	176,900	176,900	177,900	0.6%
Tobacco Enforcement Fines	57,731	75,000	75,000	75,000	—
Publication Sales - Alcohol Regulation	398	900	900	900	—
Fingerprint Processing Fee	7,764	7,200	7,200	7,200	—
<b>County General Fund Revenues</b>	<b>1,580,431</b>	<b>1,692,000</b>	<b>1,692,000</b>	<b>1,693,000</b>	<b>0.1%</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY05	FY06	FY07	(S000's) FY08	FY09	FY10
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY05 Recommended</b>	<b>979</b>	<b>979</b>	<b>979</b>	<b>979</b>	<b>979</b>	<b>979</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Approved in FY05</b>	<b>0</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>
The recommended one-time funding for the TRACE (tobacco restitution and alcohol compliance enforcement) database will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>39</b>	<b>82</b>	<b>90</b>	<b>90</b>	<b>90</b>
These figures represent the annualization of FY05 increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustment and service increments) for personnel are included for FY06 and beyond.						
<b>Subtotal Expenditures</b>	<b>979</b>	<b>1,003</b>	<b>1,046</b>	<b>1,053</b>	<b>1,053</b>	<b>1,053</b>

## LIQUOR LICENSE COMMISSIONERS

<b>PROGRAM:</b> Alcoholic Beverage Enforcement	<b>PROGRAM ELEMENT:</b> Sales to Minors				
<b>PROGRAM MISSION:</b> To reduce and ultimately eliminate alcohol sales to minors					
<b>COMMUNITY OUTCOMES SUPPORTED:</b> • Young people making smart choices • Respect for the law • Healthy children and adults					
<b>PROGRAM MEASURES</b>	<b>FY01 ACTUAL</b>	<b>FY02 ACTUAL</b>	<b>FY03 ACTUAL</b>	<b>FY04 BUDGET</b>	<b>FY05 CE REC</b>
<b>Outcomes/Results:</b>					
Percentage of alcoholic beverage-licensed facilities tested that sold to minors	3.6	7	6	7	7
Percentage of non-licensed beverage facilities (DLC dispensaries) tested that sold to minors <sup>a</sup>	3.3	2	6	2	2
Number of sales to minors violations in licensed facilities	12	22	20	20	2
Number of sales to minors violations in non-licensed (DLC) facilities	1	1	2	1	1
<b>Service Quality:</b>					
Percentage of licensed facilities tested at least once per year	40	36	37	35	35
Percentage of non-licensed facilities (DLC dispensaries) tested at least once per year	100	100	100	100	100
<b>Efficiency:</b>					
Average cost per inspection (\$)	<sup>b</sup> 82	90	95	115	115
<b>Workload/Outputs:</b>					
Number of licensed facilities tested	<sup>b</sup> 328	301	318	320	320
Number of tests of non-licensed facilities (DLC dispensaries)	30	50	31	30	30
<b>Inputs:</b>					
Expenditures (\$)	29,455	31,640	32,990	<sup>c</sup> 40,420	40,420
Workyears	<sup>b</sup> 1.4	1.4	1.4	<sup>c</sup> 1.5	1.5
<b>Notes:</b>					
<sup>a</sup> DLC dispensaries consist of the 25 retail liquor stores operated by the County's Department of Liquor Control (the 25th store opened in March, 2004).					
<sup>b</sup> FY01 was the first year that full-time, under 21, minimum wage employees of the Board of Liquor License Commissioners were used for alcohol compliance checks (the availability of under 21 <i>volunteers</i> has been significantly reduced in recent years).					
<sup>c</sup> A part-time 0.4 workyear temporary Alcohol Enforcement Specialist position with the Board of Liquor License Commissioners is now classified as a 0.5 workyear permanent position.					
<b>EXPLANATION:</b>					
The Board of Liquor License Commissioners has implemented an aggressive enforcement program to decrease violations related to the sale of alcoholic beverages to minors, using compliance checks by under-age testers. Facilities licensed for alcoholic beverages are tested by sending in under-age testers who attempt to purchase such beverages. The initial violation rate for the first year of these tests (FY92) was 36 percent. Compliance checks with under-age testers have continued on a weekly or monthly basis since that time. The FY03 violation rate was 6 percent, and it has been as low as 2 percent (in FY97).					
Montgomery County's violation rate is currently one of the lowest in the country (any violation rate less than 10 percent is considered outstanding). The substantial decrease in licensed facilities selling alcoholic beverages to minors can be attributed to continuous monitoring of these facilities. Licensees are aware that compliance checks by under-age testers are conducted on a weekly and/or monthly basis. Equally important are the stiff penalties assessed to licensees. First-time violators are fined \$1,000. Repeat violators have been fined up to \$20,000, issued a six-month license suspension, or have had their alcoholic beverage license revoked. All fines, suspensions, and revocations are reported monthly in the <i>Washington Post</i> and in the Department of Liquor Control newsletter, which is issued to all alcoholic beverage licensed facilities. Licensees are also made aware of this enforcement effort through press reports, notification letters from the Board of Liquor License Commissioners, and word of mouth.					
Beginning in FY93, the Board of Liquor License Commissioners began to regularly monitor Department of Liquor Control dispensary stores ("County liquor stores") for sales-to-minors violations. The FY03 sales-to-minors violation rate was 6 percent for the "County liquor stores" tested.					
<b>PROGRAM PARTNERS IN SUPPORT OF OUTCOMES:</b> County Attorney's Office; under-21 employees.					
<b>MAJOR RELATED PLANS AND GUIDELINES:</b> Article 2B of the Annotated Code of Maryland (Alcoholic Beverages and Tobacco Tax Laws); Montgomery County Code, Appendix D (Rules and Regulations of the Board of Liquor License Commissioners); Board of Liquor License Commissioners Policy and Procedure 1-4, "Use of Underage Volunteers;" DLC Policy and Procedure #4-22, "Sales to Minors and Intoxicated Patrons."					